

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 72, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 human services.
- 4 Delete everything after the enacting clause and insert the
- 5 following:
- 6 SECTION 1. IC 12-15-19-9.5 IS ADDED TO THE INDIANA
- 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]: **Sec. 9.5. (a) For**
- 9 **each state fiscal year ending after June 30, 2004, a community**
- 10 **mental health center disproportionate share provider that is:**
- 11 **(1) freestanding from a hospital licensed under IC 16-21; and**
- 12 **(2) not operated as part of a hospital licensed under**
- 13 **IC 16-21;**
- 14 **shall receive a disproportionate share payment as provided in this**
- 15 **section.**
- 16 **(b) Subject to subsection (f), a community mental health center**
- 17 **disproportionate share provider described in subsection (a) shall**
- 18 **receive a payment in the amount determined under STEP THREE**
- 19 **of the following formula:**
- 20 **STEP ONE: Determine the amounts certified for the**
- 21 **community mental health center disproportionate share**
- 22 **provider under IC 12-15-18-5.1(e).**
- 23 **STEP TWO: Divide the amount determined under STEP**
- 24 **ONE by a percentage equal to the state's federal medical**
- 25 **assistance percentage for the state fiscal year.**

STEP THREE: Subtract the amount determined under STEP ONE from the amount determined under STEP TWO.

(c) A disproportionate share payment under this section is considered of:

(1) the amounts certified for the community mental health center disproportionate share provider under IC 12-15-18-5.1(e); and

(2) the amount paid to the community mental health center disproportionate share provider under subsection (b).

(d) A disproportionate share payment under this section may not exceed the community mental health center disproportionate share provider's institution specific limit under 42 U.S.C. 1396r-4(g). The office shall determine the institution specific limit for a state fiscal year by taking into account data provided by the community mental health center disproportionate share provider that is considered reliable by the office based on:

(1) a periodic audit system;

(2) the use of trending factors; and

(3) an appropriate base year determined by the office.

(e) The office may require independent certification of data provided by a community mental health center disproportionate share provider to the office in order to determine the community mental health center disproportionate share provider's institution specific limit.

(f) Subject to section 10(b)(2) and 10(b)(3) of this chapter, payments under this section may not result in total disproportionate share payments that are in excess of the state limit on these expenditures for institutions for mental diseases under 42 U.S.C. 1396r-4(h). The office may reduce payments due under this section for a state fiscal year, on a pro rata basis, if the reduction is necessary to avoid exceeding the state limit on disproportionate share expenditures for institutions for mental diseases.

(g) Subject to section 10(b)(3) of this chapter, total disproportionate share payments under this section for a state fiscal year must equal ten million dollars (\$10,000,000). However, this amount may be reduced based upon the amounts certified for community mental health center disproportionate share providers under IC 12-15-18-5.1(e). The office may reduce the payments due under this section, on a pro rata basis, based upon the institution specific limits under 42 U.S.C. 1396r-4(g) of each community mental health center disproportionate share provider eligible for a payment under this section for that state fiscal year, if the reduction is necessary to avoid exceeding the total payment limit established under this subsection.

(h) The office may recover a payment made under subsection (b) from the community mental health center disproportionate share provider if federal financial participation is disallowed for the funds certified under IC 12-15-18-5.1(e) upon which the payment was based.

SECTION 2. IC 12-15-19-10 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]: Sec. 10.
2 (a) For the state fiscal year beginning July 1, 1999, and ending June 30,
3 2000, the state shall pay providers as follows:
4 (1) The state shall make disproportionate share provider
5 payments to municipal disproportionate share providers
6 qualifying under IC 12-15-16-1(b) until the state exceeds the
7 state disproportionate share allocation (as defined in 42 U.S.C.
8 1396r-4(f)(2)).
9 (2) After the state makes all payments under subdivision (1), if
10 the state fails to exceed the state disproportionate share allocation
11 (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on
12 disproportionate share expenditures for institutions for mental
13 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall
14 make community mental health center disproportionate share
15 provider payments to providers qualifying under
16 IC 12-15-16-1(c). The total paid to the qualified community
17 mental health center disproportionate share providers under
18 section 9(a) of this chapter, including the amount of expenditures
19 certified as being eligible for federal financial participation under
20 IC 12-15-18-5.1(e), must be at least six million dollars
21 (\$6,000,000).
22 (3) After the state makes all payments under subdivision (2), if
23 the state fails to exceed the state disproportionate share allocation
24 (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make
25 disproportionate share provider payments to providers qualifying
26 under IC 12-15-16-1(a).
27 (b) For state fiscal years beginning after June 30, 2000, the state
28 shall pay providers as follows:
29 (1) The state shall make municipal disproportionate share
30 provider payments to providers qualifying under
31 IC 12-15-16-1(b) until the state exceeds the state
32 disproportionate share allocation (as defined in 42 U.S.C.
33 1396r-4(f)(2)).
34 (2) After the state makes all payments under subdivision (1), if
35 the state fails to exceed the state disproportionate share allocation
36 (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make
37 disproportionate share provider payments to providers qualifying
38 under IC 12-15-16-1(a). **Beginning in a state fiscal year ending**
39 **after June 30, 2004, the total disproportionate share**
40 **payments made to a state mental health institution described**
41 **in IC 12-24-1-3 must be limited to an amount necessary to**
42 **permit disproportionate share payments to be made under**
43 **section 9.5 of this chapter without exceeding the state limit on**
44 **disproportionate share expenditures for institutions for**
45 **mental diseases under 42 U.S.C. 1396r-4(h).**
46 (3) After the state makes all payments under subdivision (2), if
47 the state fails to exceed the state disproportionate share allocation
48 (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on
49 disproportionate share expenditures for institutions for mental
50 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall
51 make ~~community mental health center disproportionate share~~

- 1 provider payments to providers qualifying under
2 ~~to 12-15-16-1(c): disproportionate share payments under~~
3 **section 9.5 of this chapter.**
4 **SECTION 3. An emergency is declared for this act.**
(Reference is to SB 72 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

GARTON Chairperson